

The Washington City Council met in a budget workshop on Wednesday, April 29, 2015 at 6:00pm in the City Council Chambers at the Municipal Building. Present were: Mac Hodges, Mayor; Bobby Roberson, Mayor Pro tem; Doug Mercer, Councilman; William Pitt, Councilman; Richard Brooks, Councilman; Larry Beeman, Councilman; Brian M. Alligood, City Manager; Cynthia S. Bennett, City Clerk and Franz Holscher, City Attorney.

Also present were: Matt Rauschenbach, Administrative Services Director/C.F.O.; Allen Lewis, Public Works Director; Susan Hodges, Human Resources Director; Keith Hardt, Electric Utilities Director; Anita Radcliffe, Assistant Finance Director; David Carraway, Network Administrator and Mike Voss, Washington Daily News.

Mayor Hodges called the meeting to order and Councilman Pitt delivered the invocation.

OLD BUSINESS:
BUDGET DISCUSSIONS: ENTERPRISE FUNDS

Brian Alligood, City Manager reviewed the Enterprise Funds portion of the budget with Council. Mr. Alligood explained no changes to electric utility rates are proposed until we get the final numbers from NCEMPA. The following rate change impact charts were reviewed with Councilmembers. Our current Stormwater fees are used to pay debt service on current projects, maintenance, etc. We can't do any additional Stormwater projects without an increase in Stormwater fees.

Mayor Pro tem Roberson inquired what the maximum allowable transfer from the Electric Fund to the General Fund would be. Mr. Alligood explained \$1.8 million is the maximum, currently we transfer \$470,000.

Discussion regarding vehicles that weren't listed in the CIP, but were listed in the budget. Mr. Rauschenbach explained that the referenced vehicles didn't meet the threshold requirement of \$25,000/2 years to be included in the CIP. Mr. Alligood noted that a Vehicle Replacement Fund will be presented to Council at Thursday's budget workshop.

Rate Change Impact- Average Residential Customer

4/12/2015

	Rate		Basis	Current		Increase	
	Current	Increase		\$/year	\$/month	\$/year	\$/month
Property tax	0.50	0.015	100,000	500.00	41.67	15.00	1.25
Residential Garbage	14.00	1.00		168.00	14.00	12.00	1.00
Water Sales	21.53	2%		258.36	21.53	5.17	0.43
Sewer Sales	27.28	4%		327.36	27.28	13.09	1.09
Storm Water Fees	4.36	20%		52.38	4.36	10.48	0.87
Total				1,306.10	108.84	55.74	4.64

4/12/2015

Last Rate Increase - Enterprise Funds
4/12/2015

Service	Amount of Increase	Date	Comments
Residential Garbage	\$2	July 2008	Went from \$12 to \$14 per month
Water Sales	4%	July 2008	4% across the board residential & commercial
Sewer Sales	7.5%	July 2008	7.5% across the board residential & commercial
Storm Water Fees	15%-22%	July 2008	15% residential; up to 22% commercial
Cemetery Fees	varies	July 2013	see schedule below

Cemetery Service	Amount of Increase	Date	Comments
Cemetery Lots			
8 Graves	\$200	July 2013	Went from \$4,800 to \$5,000
4 Graves	\$100	July 2013	Went from \$2,400 to \$2,500
2 Graves	\$50	July 2013	Went from \$1,200 to \$1,250
1 Grave	\$25	July 2013	Went from \$600 to \$625
Baby Grave	-		No change
Urn Grave	-		No change
Interment Fees (Weekday)			
Adult	\$25	July 2013	Went from \$550 to \$575
Baby < 24 month:	\$50	July 2013	Went from \$200 to \$250
Cremation Urn	\$50	July 2013	Went from \$200 to \$250
Mausoleum	\$300	July 2013	New fee
Interment Fees (Weekend/Holiday)			
Adult	\$25	July 2013	Went from \$650 to \$675
Baby < 24 month:	\$50	July 2013	Went from \$250 to \$300
Cremation Urn	\$50	July 2013	Went from \$250 to \$300
Mausoleum	\$350	July 2013	New fee
Interment Fees (After Hours 4pm)			
Adult	-		No change
Baby < 24 month:	-		No change
Cremation Urn	-		No change
Disinterment of Vault	\$25	July 2013	Went from \$675 to \$700
Disinterment of Urn	\$100	July 2013	Went from \$200 to \$300
Perpetual Care Fees	-		Recommend rolling \$200 perpetual care fee into cemetery lot charge in FY 15/16

Capital Recommended FY 2015-2016

General Fund	\$	Description
Finance	50,000	New financial software
Purchasing/Warehouse	25,000	1/3 cost of parking lot paving
Purchasing/Warehouse	32,530	Warehouse lighting
IT	12,306	GF share of IT switches
Police	142,000	Replace 4 police cars (#142, #136, #160, #164)
EMS	150,000	New EMS ambulance
EMS	30,000	1 defibrillator
Code Enforcement	20,000	Replace vehicle (#121)
Streets	75,000	Replace 2 ton dump truck (#455)
Rec Events & Facilities	54,000	Replace Bobby Andrews Ctr. roof
Senior Center	6,500	Replace HVAC unit
Building & Ground Maint	13,000	Replace ball field bunker rake
Building & Ground Maint	11,000	Replace Grasshopper mower (#8015)
	621,336	
Water Fund	\$	Description
Misc. Dept.	42,588	Water Fund share of IT switches, GIS, & new utility billing software
Water Treatment	28,000	Replace vehicle (#550)
Water Maintenance	24,000	Replace vehicle (#416)
	94,588	
Sewer Fund	\$	Description
Misc. Dept.	42,588	Sewer Fund share of IT switches, GIS, & new utility billing software
Wastewater Treatment	27,000	Replace vehicle (#551)
Wastewater Treatment	25,000	Video surveillance system
Lift Stations	40,000	Replace 2 control panels at Spring Rd.
	134,588	
Storm Water Fund	\$	Description
SW Improvements	150,000	Drainage improvements throughout the City (\$300k total, other \$150k to be paid with remaining RZEDB funds)
Electric Fund	\$	Description
Misc. Dept.	75,942	Electric Fund share of IT switches and new utility billing software
Meter Services	50,000	Meters and materials for new services
Meter Services	25,000	Replace vehicle #655
Substation Maintenance	48,000	Reclosures & capacitors
Substation Maintenance	50,000	* Main substation breaker replacement
Load Management	70,000	Purchase 1,000 switches
Power Line Construction	15,000	New utility terrain vehicle
Power Line Construction	325,000	* Midway to 5 Points tie
Power Line Construction	310,000	* Grimesland Rd. feeder
Power Line Construction	150,000	* Honey Pod Farm Rd. rework
Power Line Construction	600,000	* White Post to Slatestone 34kV tie
Power Line Construction	35,000	* Replace vehicle (#614)
Power Line Construction	60,000	* Replace trencher (#610)
Power Line Construction	72,500	* Replace vehicle (#608)
	1,886,442	
	1,602,500	* Amount to be purchased with installment proceeds
Cemetery Fund	\$	Description
Operations	20,000	Replace vehicle (#510)
Operations	6,800	Replace zero turn mower
	26,800	
Grand Total	\$ 2,913,754	

Water Fund Review:

ENTERPRISE FUND SUMMARIES

	Proposed 2016 Budget	Original 2015 Budget	G (L)	%
Water Fund				
Revenues:				
Sales & Service	\$ 3,076,960	\$ 3,010,360	\$ 66,600	2% Recommend 2% increase
Rent, Miscellaneous, Interest & Other	26,457	26,389	68	0%
Transfer from Capital Reserve	-	-	-	-
Fund Balance Appropriated	-	-	-	-
Total Revenues	\$ 3,103,417	\$ 3,036,749	\$ 66,668	
Expenses:				
Debt Service	\$ -	\$ -	\$ -	-
Operations	2,793,073	2,696,724	96,349	4%
Cash Capital Purchase	94,588	40,000	54,588	136%
Transfer to Capital Reserve	66,684	155,000	(88,316)	-57%
PILOT to General Fund	139,072	135,035	4,037	3%
Contingency	10,000	9,990	10	0%
Total Expenses	\$ 3,103,417	\$ 3,036,749	\$ 66,668	
Water Fund Highlights				
2% increase in water sales rates is recommended for FY 15/16.				
No fund balance is appropriated.				
Fund has no debt service (bonds and installment notes are all paid off).				
\$94,588 of cash capital purchases to replace 2 vehicles and to pay for Water Fund share of IT switches, GIS, and new utility billing software.				
Transfer of \$66,684 is being made to the capital reserve fund.				
Contingency of \$10,000 is available for emergency expenses.				

Proposed capital:

Water Fund	\$	Description
Misc. Dept.	42,588	Water Fund share of IT switches, GIS, & new utility billing software
Water Treatment	28,000	Replace vehicle (#550)
Water Maintenance	24,000	Replace vehicle (#416)
	94,588	

Discussion was held for clarification purposes regarding various line items in this fund. A 2% increase in Water Fund Fees is recommended. No changes made were made to the presented Water Fund budget.

Sewer Fund Review

Sewer Fund	Proposed 2016 Budget	Original 2015 Budget	G (L)	%
Revenues:				
Sales & Service	\$ 3,057,000	\$ 3,029,273	\$ 27,727	1% Recommend a 4% increase
Rent, Miscellaneous, Interest & Other	17,681	18,397	(716)	-4%
Transfer from Capital Reserve	-	-	-	-
Fund Balance Appropriated	52,000	147,619	(95,619)	-65%
Total Revenues	\$ 3,126,681	\$ 3,195,289	\$ (68,608)	
Expenses:				
Debt Service	\$ 200,401	\$ 350,871	\$ (150,470)	-43% Bonds paid out in FY 14/15
Operations	2,583,352	2,546,531	36,821	1%
Cash Capital Purchase	134,588	101,000	33,588	33%
Transfer to Sewer Capital Reserve	-	-	-	-
PILOT to General Fund	195,607	194,433	1,174	1%
Contingency	12,733	2,454	10,279	419%
Total Expenses	\$ 3,126,681	\$ 3,195,289	\$ (68,608)	
Sewer Fund Highlights				
4% increase in sewer sales rates is recommended for FY 15/16.				
Fund balance of \$52,000 is appropriated to help cover capital purchases.				
Sewer bonds will be paid off in FY 14/15 leaving only State Revolving Loan debt.				
\$134,588 of cash capital for 1 vehicle, 2 control panel replacements, & the Sewer Fund share of IT switches, GIS, and new utility billing software.				
Contingency of \$12,733 is available for emergency expenses.				

Sewer Fund	\$	Description
Misc. Dept.	42,588	Sewer Fund share of IT switches, GIS, & new utility billing software
Wastewater Treatment	27,000	Replace vehicle (#551)
Wastewater Treatment	25,000	Video surveillance system
Lift Stations	40,000	Replace 2 control panels at Spring Rd.
	134,588	

Mr. Alligood reviewed the proposed budget for the Sewer Fund. Discussion was held for clarification purposes regarding various line items in this fund. A 4% increase in Sewer Fund Fees is recommended. No changes were made to the presented Sewer Fund budget.

Stormwater Fund Review

ENTERPRISE FUND SUMMARIES

Storm Water Fund	Proposed 2016 Budget	Original 2015 Budget	G (L)	%
Revenues:				
Sales & Service	\$ 609,500	\$ 503,709	\$ 105,791	21% 20% Increase In SW fees recommended
Rent, Miscellaneous, Interest & Other	76,837	84,188	(7,351)	-9% RZEDB interest rebate decreased
Fund Balance Appropriated	70,328	42,858	27,470	64% To pay debt service on RZEDBs and cash capital
Total Revenues	\$ 756,665	\$ 630,755	\$ 125,910	
Expenses:				
Debt Service	\$ 500,751	\$ 517,085	\$ (16,334)	-3%
Operations	105,914	110,461	(4,547)	-4%
Cash Capital Purchase	150,000	-	150,000	-
Contingency	-	3,209	(3,209)	-100%
Total Expenses	\$ 756,665	\$ 630,755	\$ 125,910	
Storm Water Fund Highlights				
20% increase in storm water fees is recommended for FY 15/16.				
Fund balance in the amount of \$70,328 is appropriated to service debt and go toward paying for cash capital.				
\$150,000 cash capital is recommended for SW improvements (this is in addition to \$150k remaining RZEDB funds).				
No contingency in FY 15/16.				

Proposed capital:

Storm Water Fund	\$	Description
SW Improvements	150,000	Drainage improvements throughout the City (\$300k total, other \$150k to be paid with remaining RZEDB funds)

Mr. Alligood reviewed the proposed budget for the Stormwater Fund. Discussion was held for clarification purposes regarding various line items in this fund. A 20% increase in Stormwater Fees is recommended. No changes were made to the presented Stormwater Fund budget.

Electric Fund Review

Electric Fund	Proposed 2016 Budget	Original 2015 Budget	G (L)	%	
Revenues:					
Sales & Service	\$ 36,096,696	\$ 34,932,578	\$ 1,164,118	3%	Increase based on Booth forecast
Rent, Miscellaneous, Interest & Other	349,962	284,708	65,254	23%	Adm Charges from Water& Sewer Funds increased
Installment Financing Proceeds	1,602,500	1,175,000	427,500	36%	
Fund Balance Appropriated	-	-	-		
Total Revenues	\$ 38,049,158	\$ 36,392,286	\$ 1,656,872		
Expenses:					
Debt Service	\$ 403,264	\$ 391,635	\$ 11,629	3%	
Operations	7,909,570	7,239,783	669,787	9%	PILOST 190k, tree trimming up 191k
Power Purchase	27,792,348	27,389,868	402,480	1%	
Cash Capital Purchase	283,942	196,000	87,942	45%	
Installment Capital Purchases	1,602,500	1,175,000	427,500	36%	
Contingency	57,534	-	57,534		
Total Expenses	\$ 38,049,158	\$ 36,392,286	\$ 1,656,872		
Electric Fund Highlights					
No fund balance is appropriated.					
Rate and load management credit changes will be reviewed after the NCEMPA bond sale.					
Administrative charges from Water & Sewer Fund to the Elec Fund were recalculated based on number of meters.					
Transfer to GF remains at \$470,000. Additional \$190,000 is included for PILOST.					
Tree trimming is up \$191,000.					
\$283,942 cash capital is recommended (see capital schedule).					
\$1,602,500 installment borrowing for capital is recommended (see capital schedule).					
Contingency in the amount of \$57,534 is available for emergency expenses.					

Proposed capital:

Electric Fund	\$	Description
Misc. Dept.	75,942	Electric Fund share of IT switches and new utility billing software
Meter Services	50,000	Meters and materials for new services
Meter Services	25,000	Replace vehicle #655
Substation Maintenance	48,000	Reclosures & capacitors
Substation Maintenance	50,000	* Main substation breaker replacement
Load Management	70,000	Purchase 1,000 switches
Power Line Construction	15,000	New utility terrain vehicle
Power Line Construction	325,000	* Midway to 5 Points tie
Power Line Construction	310,000	* Grimesland Rd. feeder
Power Line Construction	150,000	* Honey Pod Farm Rd. rework
Power Line Construction	600,000	* White Post to Slatestone 34kV tie
Power Line Construction	35,000	* Replace vehicle (#614)
Power Line Construction	60,000	* Replace trencher (#610)
Power Line Construction	72,500	* Replace vehicle (#608)
	1,886,442	
	1,602,500	* Amount to be purchased with installment proceeds

Mr. Alligood explained that there are no rate changes proposed until we receive information back from NCEMPA. Discussion was held for clarification purposes regarding various line items in this fund. In depth discussion about PILOST (Payment in lieu of sales tax), Mr. Alligood noted that this was voted on last year by Council, so payment in lieu of sales tax is shown as part of the continuation budget this year.

Councilman Mercer made a motion that Council adopt a budget that holds the electric fund to the cost of the purchase power -approximately \$8 million for operating/maintenance expenses and pay the debt service until the asset sales are done and we complete our cost of service studies. At that point we can adjust/amend budget to take into consideration all of the activities that we want to do. Councilman Mercer noted that he has reviewed the electric budget and has suggestions/reductions that would equate to the following: \$7,965,000 of operating/maintenance, approximately \$28 million in purchase power and approximately \$403,000 in debt service for a total electric budget of approximately \$36million. Then when the asset sales are complete, Council could amend the electric fund budget. Mayor Pro tem Roberson seconded the motion for discussion purposes. Discussion ensued. (no vote taken)

Mr. Alligood explained that some of the capital items/projects need to be reviewed tonight. Councilman Mercer noted that he did not cut all capital projects, but suggested cutting/delaying the four capital power line construction projects. Lengthy discussion was held regarding removing several power line construction capital projects. Councilman Brooks and Councilman Beeman questioned what would happen if these projects are delayed. Keith Hardt explained that the Midway to 5 points tie and Whitepost to Slatestone tie (engineering and right-of-way acquisition) are reliability concerns while Grimesland Road feeder and Honey Pod Farm rework are service issues. The most important at this point time would be the Grimesland Road feeder project. Councilmembers discussed the need to include the Grimesland Road feeder in the budget and delay the other three projects.

Mayor Pro tem Roberson requested to amend the motion to include the Grimesland Road feeder and delay the other three projects until after the asset sales are complete (3 months). Councilman Mercer agreed to the amendment. Discussion continued. Council was in agreement to leave Grimesland

Road feeder in the budget. Councilman Mercer noted that if the Grimesland feeder is added back then the operating and maintenance budget would increase to approximately \$8.28 million. Councilman Mercer explained that his motion included deductions in other parts of the electric fund that included: two table pc's for the meter shop, salary in load management, load management switches, 100ft. boom truck, load management salary, tree cutting crew 16 weeks to 12 weeks and the generator rebuild.

RECESS

Councilman Mercer restated the motion with the amendments: Adopt an interim electric fund budget that would cover the cost of purchase power, operation/maintenance with the deduction previously mentioned with the exception of the pc's in the meter shop and the Grimesland Rd. feeder at approximately \$8.28 million and debt service.

Mayor Pro tem Roberson noted that the motion/amendments/discussion are not clear, therefore he withdrew the 2nd he made to the original motion made by Councilman Mercer. Mayor Pro tem Roberson explained that he did not agree to the other deductions offered by Councilman Mercer. Subsequently, Councilman Mercer's motion dies and the amendment was not valid.

Councilmembers confirmed that the Grimesland Road feeder project will stay in the budget and the remaining three power line construction projects will be delayed until the assets sale is complete. Delayed: Whitepost to Slatestone tie, Midway to 5 points tie and Honey Pod Farm rework.

Pg. 343 - A motion was made by Councilman Mercer to delete the \$190,000 (PILOST). No second, motion fails.

Pg. 379/380 – Correct salaries in load management.

A motion was made by Councilman Mercer to remove the generator repair at \$40,000. No second, motion fails.

A motion was made by Councilman Mercer to remove the load management switches as presented in the budget. Motion seconded by Mayor Pro tem Roberson to remove the load management switches as presented on the budget. (This will be reviewed after the asset sale is complete.)

A motion was made by Mayor Pro tem Roberson, seconded by Councilman Mercer to delete the 100ft. boom truck. Motion carried.

Pg. 389 - A motion was made by Councilman Mercer to cut the extra tree crew from 16 weeks to 12 weeks. No second, motion fails.

Pg. 393 - A motion was made by Councilman Mercer, seconded by Mayor Pro tem Roberson to cut Midway to 5 Points Tie, Honey Pod Farm Road Rework and Whitepost to Slatestone Tie. Motion carried.

Airport Review

ENTERPRISE FUND SUMMARIES

	Proposed 2016 Budget	Original 2015 Budget	G (L)	%	
Airport Fund					
Revenues:					
Sales & Service	\$ 168,100	\$ 150,000	\$ 18,100	12%	Increase in fuel sales
Rent, Miscellaneous, Interest & Other	77,505	78,488	(983)	-1%	
Grant Revenue	150,000	-	-	-	
Transfer from General Fund	-	81,263	(81,263)	-100%	No transfer from GF
Fund Balance Appropriated	110,984	-	-	-	- FB appropriated instead of GF transfer
Total Revenues	\$ 506,589	\$ 309,751	\$ 196,838		
Expenses:					
Debt Service	\$ -	\$ -	\$ -	-	
Operations	339,922	309,751	30,171	10%	Increase in fuel purchases
Grant Expenses	166,667	-	166,667	-	
Cash Capital Purchase	-	-	-	-	
Contingency	-	-	-	-	
Total Expenses	\$ 506,589	\$ 309,751	\$ 196,838		
Airport Fund Highlights					
No subsidy transfer is being made from the GF. Airport fund balance in the amount of \$110,984 is being appropriated instead.					
Vision 100 funds in the amount of \$150,000 are expected in FY 15/16.					
No contingency is available.					

Mr. Alligood reviewed the proposed budget for the Airport Fund. Discussion was held for clarification purposes regarding various line items in this fund. No changes were made to the presented Airport Fund budget. It was noted that a temporary Certificate of Occupancy for the new terminal building was issued on Tuesday and the proposed completion date is May 15th.

Solid Waste Fund Review

<u>Solid Waste Fund</u>	<u>Proposed</u>	<u>Original</u>		
	<u>2016 Budget</u>	<u>2015 Budget</u>	<u>G (L)</u>	<u>%</u>
Revenues:				
Sales & Service	\$ 1,299,500	\$ 1,255,747	\$ 43,753	3% Rate increase \$1 per mo. residential
Rent, Miscellaneous, Interest & Other	800	1,000	(200)	-20%
Fund Balance Appropriated	-	41,324	(41,324)	-100%
Total Revenues	\$ 1,300,300	\$ 1,298,071	\$ 2,229	
Expenses:			\$ -	
Debt Service	17,895	23,936	(6,041)	-25%
Operations	1,182,897	1,214,135	(31,238)	-3% Eliminating retiring position Sept 2015
Transfer to Capital Reserve Fund	89,508	-	89,508	-
Cash Capital Purchase	-	60,000	(60,000)	-100%
Contingency	10,000	-	10,000	-
Total Expenses	\$ 1,300,300	\$ 1,298,071	\$ 2,229	
<u>Solid Waste Fund Highlights</u>				
Rate increase of \$1 per month is recommended for residential customers (from \$14/mo to \$15/mo).				
Recommend to eliminate position in Sept. 2015 after employee retirement.				
No capital purchases in FY 15/16. Transfer to new Capital Reserve Fund in the amount of \$89,508.				
Contingency in the amount of \$10,000 is available for emergency expenses.				

Mr. Alligood reviewed the proposed budget for the Solid Waste Fund. Discussion was held for clarification purposes regarding various line items in this fund. An increase in residential solid waste fee of \$1.00 per month is recommended. No changes were made to the presented Solid Waste Fund budget.

Cemetery Fund Review

<u>Cemetery Fund</u>	<u>Proposed</u>	<u>Original</u>		
	<u>2016 Budget</u>	<u>2015 Budget</u>	<u>G (L)</u>	<u>%</u>
Revenues:				
Sales & Service	\$ 230,150	\$ 159,908	\$ 70,242	44% Perpetual fees rolled into cemetery fees
Rent, Miscellaneous, Interest & Other	2,000	2,000	-	0%
Transfer from General Fund	-	165,040	(165,040)	-100% No transfer from GF in FY 15/16
Fund Balance Appropriated	111,414	-	111,414	- FB appropriated instead of GF transfer
Total Revenues	\$ 343,564	\$ 326,948	\$ 16,616	
Expenses:				
Debt Service	\$ 7,367	\$ 6,752	\$ 615	9%
Operations	308,066	290,196	17,870	6%
Cash Capital Purchase	26,800	30,000	(3,200)	-11%
Contingency	1,331	-	1,331	-
Total Expenses	\$ 343,564	\$ 326,948	\$ 16,616	

Cemetery Fund Highlights
Recommend rolling perpetual fees into grave opening fees.
No subsidy transfer from GF in FY 15/16. Cemetery fund balance in the amount of \$111,414 is appropriated instead.
\$26,800 of cash capital for replacement of 1 vehicle and 1 mower.
Contingency in the amount of \$1,331 is available for emergency expenses.

Proposed capital:

Cemetery Fund	\$	Description
Operations	20,000	Replace vehicle (#510)
Operations	6,800	Replace zero turn mower
	26,800	

Mr. Alligood explained that we are only allowed to spend the interest on the perpetual care fund. The current amount in that fund is \$449,615 and income interest to date is \$2938. Staff suggested rolling the perpetual care fees into the cost of the lot. Perpetual care fees deposited last year was \$32,800 and the amount of fees deposited year-to-date is \$18,000. Councilman Mercer noted that the fees at the cemetery are extremely low and need to be adjusted. Mr. Alligood explained the fees will be reviewed during Thursday’s budget workshop.

Councilman Mercer made a motion not to abolish the perpetual care fund, but to adjust fees with the rate schedule on Thursday. Mayor Pro tem Roberson seconded the motion. Motion carried to leave the perpetual care fund the way it currently is (not roll the perpetual care fees into the grave fees).

ENTERPRISE FUND – EXPANSION BUDGET

Mr. Alligood reviewed the Enterprise Fund – Expansion Budget. Councilman Mercer thought the vote last night was to not fund anything in the expansion budget. Mr. Alligood explained that was only for the General Fund budget.

A motion was made by Councilman Mercer to not have an expansion budget in the Enterprise Funds. Mayor Pro tem Roberson seconded the motion. Discussion continued and Mr. Alligood explained all of the requests, noting that one of the requests actually saves \$3,717. Mr. Alligood explained that the Electric Department does not have an Administrative Assistant the request is to fund that as a part-time position. Ed Pruden and Andy Pollard explained the request for the Meter Services Reclassification and the Electric T&D Reclassification. A vote on the motion was taken at this time and Councilman Mercer voted for the motion, while Councilmembers Roberson, Pitt, Brooks and Beeman voted against the motion. Motion fails 1-4.

A motion was made by Councilman Brooks and seconded by Councilman Beeman to approve the Enterprise Fund Expansion Budget as presented. Motion carried 4-1 with Councilman Mercer voting against.

SUMMARY OF REQUESTED SERVICE EXPANSIONS								
WATER/SEWER FUND REVENUE						City Manager Recommends	Board Approves	
Amount Available for Service Expansions (Revenues over Expenditures)						\$22,733	\$0	
Amount Requested from Fund Balance						\$0	\$0	
Total						\$22,733	\$0	
Total Available for Service Expansions						\$22,733	\$0	
REQUESTS								
Department	Title	Dept. Mgrs Priority	Estimated Initial Cost	Estimated Annual Revenue Offset	Estimated Initial Net Cost	Estimated Annual Recurring Cost	Board Member's Priority	Comments
Water/Sewer	Utility Maintenance Worker		\$35,272	\$0	\$35,272	\$35,272		Cost associated with hiring a Utility Maintenance Worker.
			\$35,272	\$0	\$35,272	\$35,272		

SUMMARY OF REQUESTED SERVICE EXPANSIONS								
ELECTRIC FUND REVENUE						City Manager Recommends	Board Approves	
Amount Available for Service Expansions (Revenues over Expenditures)						\$57,534	\$0	
Amount Requested from Fund Balance						\$0	\$0	
Total						\$57,534	\$0	
Total Available for Service Expansions						\$57,534	\$0	
REQUESTS								
Department	Title	Dept. Mgrs Priority	Estimated Initial Cost	Estimated Annual Revenue Offset	Estimated Initial Net Cost	Estimated Annual Recurring Cost	Board Member's Priority	Comments
Electric Administration	Part Time Admin Support Specialist		\$15,572	\$0	\$15,572	\$14,072		Cost associated with reinstating the Electric Dept. Admin. Specialist part time.
Load Management	Non Residential Load Management Program		\$15,000	\$0	\$15,000	\$0		Cost to complete load management study.
Meter Services	Meter Services Reclassifications		(\$3,717)	\$0	(\$3,717)	(\$3,717)		Eliminate PT Electric Meter Tech position & upgrade Meter Reader, Lead Meter Reader, & Electric Meter Services Supervisor positions.
Electric T&D	Electric T&D Reclassification		\$5,364	\$0	\$5,364	\$5,364		Reclass position from Sr. Equipment Operator to Right of Way Coordinator
Total of all Electric Fund Service Expansion Request			\$32,219	\$0	\$32,219	\$15,719		

CLOSED SESSION: UNDER NCGS § 143-318.11 (A)(6) PERSONNEL

By motion of Councilman Pitt, seconded by Councilman Brooks, Council agreed to enter into closed session at 8:40pm under NCGS § 143-318.11 (a)(6) Personnel.

By motion of Councilman Brooks, seconded by Councilman Beeman, Council agreed to come out of closed session at 9:50pm.

ADJOURN:

By motion of Councilman Brooks, seconded by Councilman Beeman, Council adjourned the meeting at 9:55pm until Thursday, April 30, 2015 at 6:00 pm, in the Council Chambers.

**Cynthia S. Bennett, MMC
City Clerk**